

25 January 2017

## **Austral Gold Receives Final Infill Drilling Assays at Amancaya Project (Chile): Intersects 3.1 m Grading 58.93 g/t Gold**

- **Two new high grade shoots discovered.**
- **High grade zone of Central Vein extended by approximately 400 metres.**
- **Infill drilling program project complete – 13,312 metres drilled and all assays received and reported.**
- **Results will be used to finalise pre-feasibility study for Amancaya in Q1 2017.**

**VANCOUVER, BRITISH COLUMBIA--(Newsfile – January 25, 2017)** Austral Gold Limited (ASX: AGD) (TSX-V:AGLD) (the "Company" or "Austral") is pleased to announce the final batch of assay results from the infill drilling program at its 100% owned high grade gold and silver Amancaya project ("Amancaya") located in Chile.

The infill program, which commenced on September 8<sup>th</sup>, 2016, targeted the Central and Julia veins, which host the gold and silver epithermal inferred resource that is the focus of an ongoing pre-feasibility study expected to be completed by the first quarter of 2017.

Amancaya is located 60 km southwest of the Company's Guanaco underground gold mine, which is approximately 220 km from Antofagasta in northern Chile.

### **Highlights from these reported assays:**

- **AM-082: 3.1 metres @ 58.93 g/t gold and 94.7 g/t silver** from 72.4 metres,
- **AM-053: 3 metres @ 45.48 g/t gold and 966.70 g/t silver** from 132 metres,
- **AM-055: 6.7 metres @ 14.6 g/t gold and 83.2 g/t silver** from 20 metres, plus  
**4.4 metres @ 11.65 g/t gold and 62.8 g/t silver** from 45.2 metres,
- **AM-067: 1.77 metres @ 49.41 g/t gold and 61.6 g/t silver** from 170.2 metres
- **AM-052: 3 metres @ 24.69 g/t gold and 363.7 g/t silver** from 102 metres

"We are very pleased with the results from the infill program, which has significantly extended the high grade zones on the Central Vein, with the discovery of two new high grade shoots. The significant expansion and consistency of the high grade mineralisation exhibited from this drilling at the Central Vein is extremely encouraging", stated Stabro Kasaneva, CEO of Austral Gold. "The high grade and continuity of the mineralisation indicate that Amancaya may have the potential to be a very significant part of Austral's future plans to grow production into a medium sized precious metal producer. We are looking

forward to seeing the results of this drilling incorporated into a new independent mineral resource estimate and pre-feasibility study, which should be completed prior to the end of the first quarter, 2017.”

The infill program of approximately 13,312 m was completed on November 30<sup>th</sup>, 2016. A total of 93 holes were drilled, most of which were initially drilled with reverse circulation collaring and converted to diamond drilling as they approached the vein target areas. This resulted in approximately 87% of the drilled metres being comprised of reverse circulation, and 13% represented as diamond drilling. Assay results for the final 44 of these holes, on the Central and Julia Vein, have been received and are reported in this news release.

The drill program was designed to test and confirm the presence and consistency of mineralisation within the inferred resource that was previously reported at Amancaya in the amended Technical Report (“Amancaya Technical Report”) “Guanaco Gold Project, Antofagasta Province, Region II, Chile, NI 43-101 Technical Report”, which has an effective date of November 24, 2015 and which was amended June 30, 2016 and filed on July 25, 2016 on the Company’s profile on [www.sedar.com](http://www.sedar.com).

Summary of significant results from the drilling with assays from the final 44 holes:

HOLE Id	Location	From	To	Total Length	True Width*	Au g/t	Ag g/t
				(m)	(m)		
AM-050	Central vein	139.94	142.32	2.38	1.55	<b>13.63</b>	182.8
AM-051	Central vein	89.00	94.00	5.00	3.50	<b>9.04</b>	89.2
AM-052	Central vein	102.00	105.00	3.00	2.10	<b>24.69</b>	<b>363.7</b>
AM-053	Central vein	132.00	135.00	3.00	2.16	<b>45.48</b>	<b>966.7</b>
AM-054	Central vein	44.47	50.42	5.95	3.87	<b>10.35</b>	65.9
AM-055	Central vein	20.00	26.70	6.70	4.69	<b>14.60</b>	83.2
		29.90	31.28	1.38	0.97	2.24	4.1
		45.24	49.70	4.46	3.12	<b>11.65</b>	62.8
		52.05	52.74	0.69	0.48	<b>19.51</b>	47.3
AM-056	Central vein	151.97	163.85	11.88	7.72	3.24	9.5
AM-058	Central vein	209.23	211.00		1.77	<b>6.24</b>	11.4
AM-060	Central vein	77.60	80.39	2.79	1.81	<b>13.54</b>	96.2
AM-061	Central vein	20.00	24.00	4.00	2.60	<b>7.14</b>	64.4
AM-062	Central vein	45.00	46.13	1.13	0.73	3.03	22.6
AM-065	Central vein	86.00	88.00	2.00	1.30	4.05	10.9
		114.00	116.00	2.00	1.30	2.52	10.6
AM-066	Central Vein	163.00	165.00	2.00	1.30	<b>9.20</b>	17.6
AM-067	Central vein	170.23	172.00	1.77	1.15	<b>49.41</b>	61.6
AM-068	Julia vein	155.09	156.09	1.00	0.65	<b>16.89</b>	12.9
AM-069	Julia vein	126.00	127.00	1.00	0.65	1.87	3.6
AM-070	Julia vein	85.60	86.50	0.90	0.59	1.75	6.6
AM-071	Julia vein	126.15	127.50	1.35	0.94	1.85	1.2
AM-072	Julia vein	161.00	162.00	1.00	0.70	4.60	3.9
AM-073	Julia vein	155.81	157.00	1.19	0.83	1.88	0.6
AM-075	Julia vein	87.00	90.00	3.00	2.10	<b>8.40</b>	5.7
AM-076	Julia vein	70.00	71.00	1.00	0.70	1.21	1.1
AM-077	Julia vein	159.00	160.00	1.00	0.70	1.91	2.8

AM-078	Julia vein	147.06	147.72	0.66	0.46	<b>6.29</b>	6.8
AM-079	Julia vein	87.20	87.60	0.40	0.28	1.42	3.0
AM-080	Central vein	37.23	37.85	0.62	0.43	2.48	48.4
AM-081	Julia vein	136.00	139.00	3.00	2.10	4.08	7.9
AM-082	Central vein	72.42	75.50	3.08	2.16	<b>58.93</b>	94.7
		77.31	78.60	1.29	0.90	2.10	3.4
AM-083	Central vein	121.22	123.31	2.09	1.46	3.01	4.7
AM-084	Julia vein	155.00	159.00	4.00	2.80	3.31	2.3
AM-085	Julia vein	66.00	68.00	2.00	1.40	1.35	3.9
AM-086	Julia vein	174.00	180.55	6.55	4.59	<b>5.04</b>	4.2
AM-087	Julia vein	104.05	105.75	1.70	1.19	1.80	5.4
AM-088	Central vein	63.00	64.59	1.59	1.11	<b>6.92</b>	44.2
		118.06	125.51	7.45	5.22	<b>6.16</b>	41.6
	incl.	121.97	125.51	3.54	2.48	<b>11.07</b>	66.2
AM-089	Julia vein	159.00	160.00	1.00	0.70	1.55	5.2
AM-091	Julia vein	114.15	114.80	0.65	0.45	3.12	5.9
AM-092	Julia vein	66.70	71.00	4.30	3.01	<b>7.05</b>	26.2
AM-093	Julia vein	98.00	100.00	2.00	1.40	4.36	6.8

\*True width refers to horizontal width and is inferred as being 70% of the down-hole intercept, although ranges from 65-89% subject to intersection with sub-vertical veins and drilling dip.

Holes not listed above had no significant results.

### The Central Vein

The Central Vein is the principal vein at the project, hosting the majority of the resource discovered to date. The drilling program was focused on narrowing drill spacing within the known mineralisation (Figure 2) in order to maximize the chances of upgrading inferred resources to indicated resources for the ongoing pre-feasibility study. It was very successful identifying two new high grade shoots and broadening an existing high grade shoot. The most significant of these new shoots is located in the northern half of the vein. This shoot plunges gently to the north and is essentially horizontal, with a strike length of approximately 500 metres (see Figure 4). Hole AM067 (**1.77 metres at 49.41 g/t gold and 61.6 g/t silver**) intercepted a new high grade zone, that appears open at depth following the southerly plunge. The drilling also broadened the existing higher grade zone that plunges more steeply south in the southern half of the vein (compare Figure 3 and 4).

### The Julia Vein

A modest exploration resource existed at Julia and this was not included in the Amancaya Technical Report (see Figure 6). Figure 4 shows the location of infill drilling undertaken in this program, which has identified higher grade mineralisation within a broad, gently north plunging mineralized zone (see Figure 7). Mineralisation remains open at depth to the north down plunge.

### Development Update

The Company has been advancing site activities at Amancaya in preparation for pre-stripping and potential open pit mining by mid-2017. As previously stated, the company is envisioning trucking mineralized material 73 kilometres on existing public roads to the new agitation leach plant at Guanaco, which is expected to commence commissioning tests by the end of the first quarter of 2017. The Amancaya project is fully permitted and currently the estimated capital costs for construction are envisioned to be funded from cash flow from operations from the Company's treasury. A pre-feasibility study, currently being undertaken by Roscoe Postle & Associates, is expected to be completed by the

end of first quarter of 2017, covering the potential combined operation of Amancaya and Guanaco mines with all material being treated in the new agitation leach plant at Guanaco.

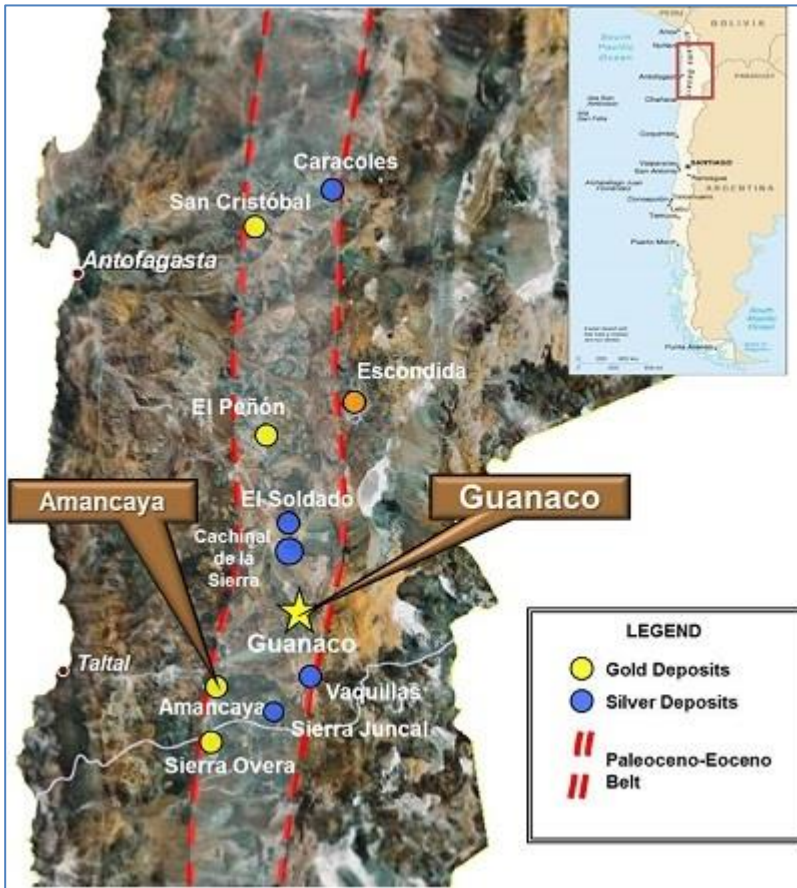


Figure 1: Amancaya Project Location

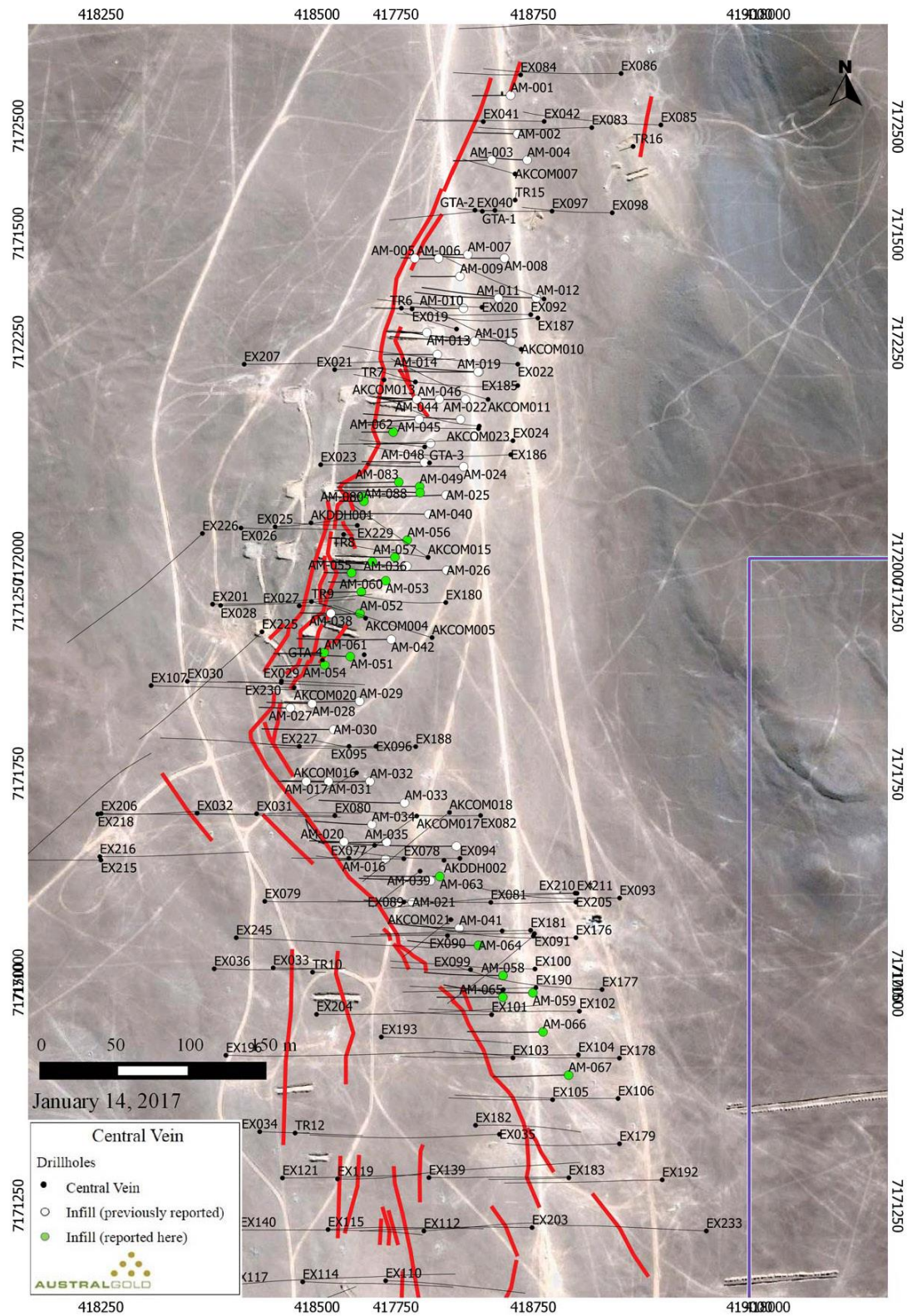
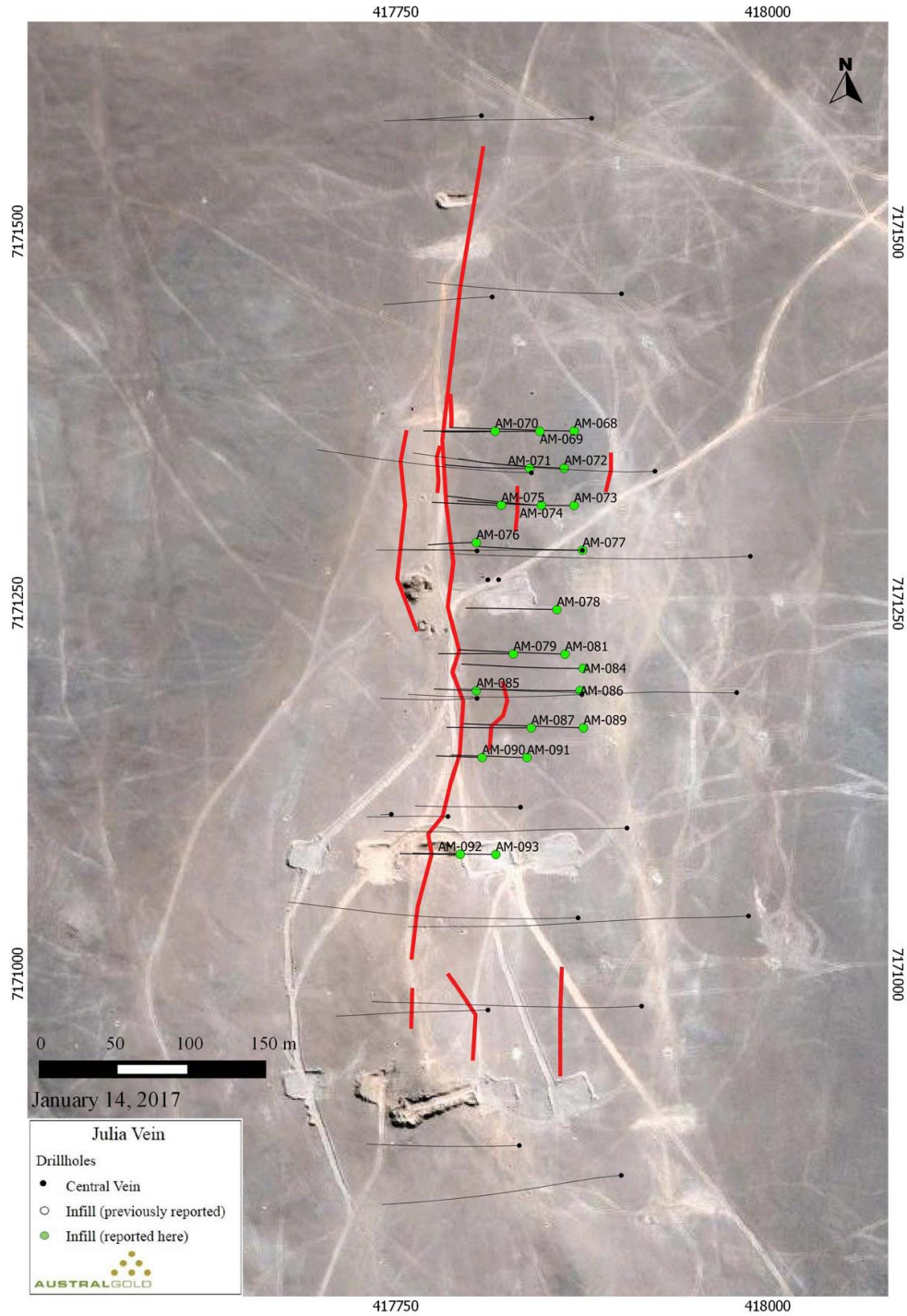


Figure 2: Central Vein Drilling Plan and Reported Results





**Figure 5: Julia Vein Drilling Plan and Reported Results**

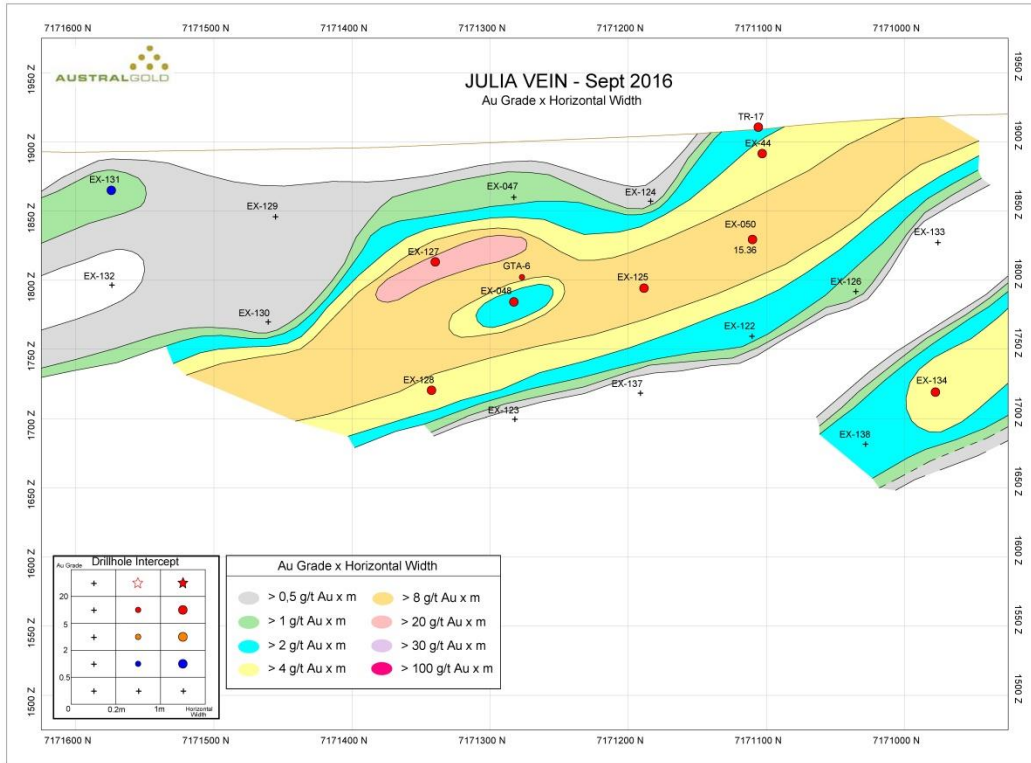


Figure 6: Long section of Julia Vein Prior to Infill Drill Program: Gold (g/t) x width Contours

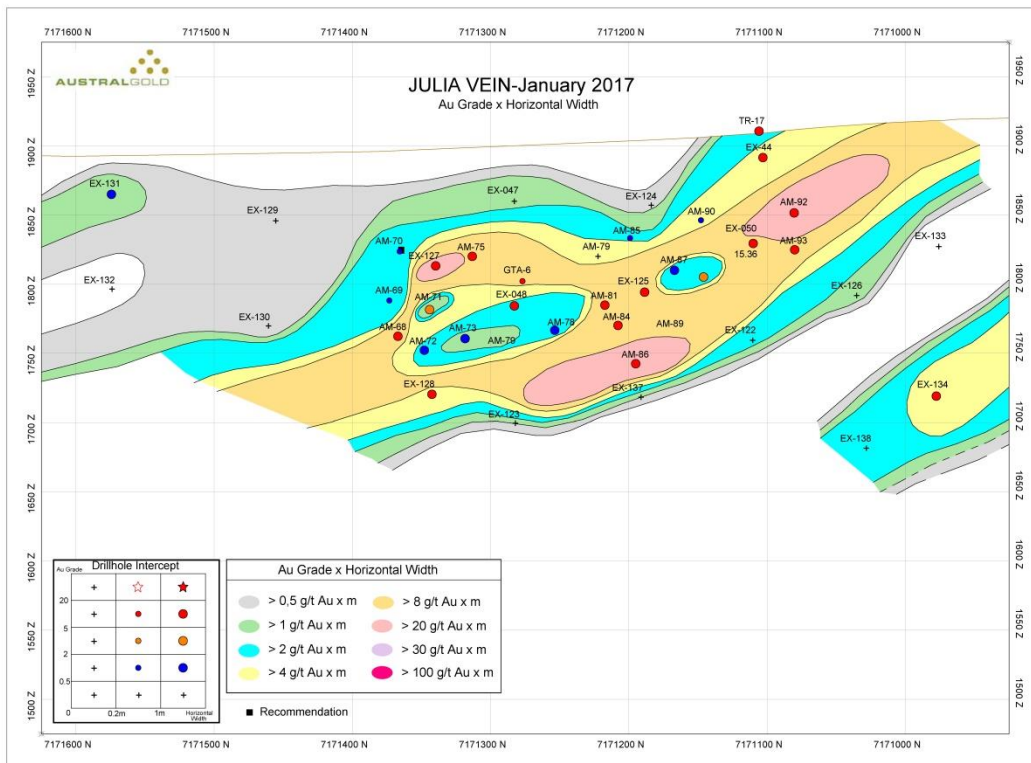


Figure 7: Long section of Julia Vein Including Infill Drill Program: Gold (g/t) x width Contours



## **Quality Assurance**

For reverse circulation drilling two samples were collected following passing through a cyclone and riffle splitter. Chip samples were collected and bagged with a unique identifier number. For diamond drill holes, sample intervals were marked and the core was split with a mechanical splitter. One half of the core was placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored. During the sampling processes, as per the QA/QC protocols, blanks and standards were submitted into the sample stream at regular intervals. Drill samples were sent to the Actlabs laboratory in Coquimbo, Chile, where they were crushed and prepared. Gold assays were done using 1A2-30 code FA-AAS procedure on a 30g sample. Base metal assaying was done by multi-element 5AAS-07 AR-AAS 2g/100ml ICP-MS analysis. Samples over limit in silver, lead, zinc, and/or copper are reanalysed by a high detection limit ICP-ES analysis (7AR procedure). Activation Laboratories Ltd. is an ISO 17025 certified full-service commercial laboratory, with its head office located in Ancaster, Ontario, Canada.

## **Qualified Persons**

The information in this report that relates to Exploration Results is based on information compiled by Michael Brown, a competent person who is a Geologist and Member of Australian Institute of GeoScientists. Mr Brown is a full-time employee of the company. Mr Brown has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The scientific and technical content of this news release has been prepared by, or under the supervision of Michael Brown, MAIG, and has been reviewed and approved by him. Mr Brown is a "qualified person" for the purposes of National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

## **About Austral Gold**

*Austral Gold Limited is a growing precious metals mining, development and exploration company building a portfolio of quality assets in Chile and Argentina. The Company's flagship Guanaco project in Chile is a low-cost gold and silver producing mine with further exploration upside. The Company is also operator of the underground silver-gold Casposo mine in San Juan, Argentina. With an experienced local technical team and highly regarded major shareholder, Austral's goal is to continue to strengthen its asset base through acquisition and discovery. Austral Gold Limited is listed on the TSX Venture Exchange (TSX-V:AGLD), and the Australian Securities Exchange (ASX: AGD). For more information, please consult the company's website [www.australgold.com](http://www.australgold.com)*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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### **Forward Looking Statements**

Statements in this news release that are not historical facts are forward-looking statements. Forward-looking statements are statements that are not historical, and consist primarily of projections - statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could", "potential", "should", "anticipates", "likely", "believes" and words of similar import tend to identify forward-looking statements. Forward-looking statements in this news release include; Austral's expectation that Amancaya may have the potential to be a very significant part of Austral's future plans to grow production into a medium sized precious metal producer, its expectation that a new mineral resource estimate incorporating recent results should be completed by the end of the first quarter of 2017, the agitation leach plant will commence commissioning tests be completed by the end of the first quarter of 2017, a pre-feasibility study currently being undertaken by Roscoe Postle & Associates will be completed by the end of the first quarter of 2017. All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, Austral's ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond the Company's control, the availability of capital to fund all of the Company's projects and other risks and uncertainties identified under the heading "Risk Factors" in the Company's continuous disclosure documents filed on SEDAR. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Austral cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Austral's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and Austral does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

# JORC Code, 2012 Edition – Table 1 report template

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralization that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Industry standard practices were used for sampling of reverse circulation drilling and diamond drilling.</li> <li>In the case of reverse circulation samples were collected in one metre sections in large PVC bags. Sub-samples were taken for logging and for laboratory analysis. Sub sampling using a splitter produced a 2-3kg sample for laboratory analysis. Sampling was done on a one or two metre composite basis according to the geology.</li> <li>In the case of diamond drilling core was recovered from drill tubes and stored in core boxes, where it was geologically logged then half core samples were taken using a mechanical core splitter, bagged and sent to the laboratory.</li> <li>Standards and blanks were routinely inserted as per company QA/QC procedure.</li> <li>Samples were assayed for gold and base metals at an independent and accredited laboratory.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Drilling techniques used Reverse Circulation (RC)/5.5", face sampling hammer and core drilling rig producing core at HQ size. Drill holes have been collared at 10m from surface with casing to maintain hole integrity.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximize sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Sample recoveries are estimated by the weight for each meter. Sample recoveries have averaged &gt;95%.</li> <li>The mineralized zone appeared to be quite competent and core recoveries were excellent.</li> <li>All core was carefully placed in HQ sized core trays and transported a short distance to a core processing area where core recovery, depth markup and photography could be completed.</li> </ul>

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<p>Reverse circulation chips were geologically logged using predefined logging codes for lithological, mineralogical, and physical characteristics.</p> <p>Diamond drill core was geologically logged using predefined logging codes for lithological, mineralogical, and physical characteristics.</p> <ul style="list-style-type: none"> <li>• Logging was generally quantitative in nature with the exception of structural and geotechnical measurements and the estimation of recoveries.</li> <li>• Drill core was photographed and digitally stored for visual reference</li> <li>• All holes are logged from start to finish.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>Drilling included assaying of half core for diamond drill holes and chip samples for RC holes:</p> <ul style="list-style-type: none"> <li>• For diamond drill holes, sample intervals were marked and the core was split with a mechanical splitter. One half of the core was placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored. For RC drilling, two chip samples were collected with a cyclone. During the sampling processes, as per the QA/QC protocols, blanks and standards were submitted into the sample stream at regular intervals.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill samples were collected and bagged and sent to the Actlabs laboratory in Coquimbo, Chile. There they were crushed and prepared. Gold assays were done using 1A2-30 code FA-AAS procedure on a 30g sample. Base metal assaying was done by aqua regia 5AAS 07 AR AAS 2gr 100 with final determination by atomic adsorption AAS. Activation Laboratories Ltd. is an ISO 17025 certified full-service commercial laboratory, with its head office located in Ancaster, Ontario, Canada.</li> <li>• Internal laboratory checks are made by Actlabs regarding sample preparation and assaying procedures.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> <li>• Not applicable</li> <li>• Logged on paper and entered manually into electronic</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>spreadsheets. Data then entered into CSV Database and validated before being processed by industry standard software packages such as Vulcan.</p> <ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Sample locations recorded using differential GPS considered to have an accuracy of +/- 4m.</li> <li>The system used was WGS84</li> <li>Drilling collar survey used Trimble S5 electronic theodolite. Downhole surveys are completed by gyroscopic downhole methods at regular intervals.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drillhole spacing is approximately 25m (northing) by 25m (easting).</li> <li>Data spacing and distribution are sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures.</li> <li>No sample compositing is applied during the sampling process.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>The Central and Julieta veins outcrop at surface and this orientation combined with historical drilling has allowed for the geological modelling of the host quartz veins. Based on this model drill azimuths were planned to intersect the veins perpendicular to their strike.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are transported from the field to the external laboratory via a third party transportation company. The laboratory received sample dispatch documents for every sample batch.</li> <li>Laboratory returns pulp samples and excess material within 60 days.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Upon receipt of results from assays they are reviewed and standards, blanks and duplicates are checked. In the event of data discrepancies with the control samples the laboratory is contacted and the preparation and assaying records are reviewed.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<p>The properties are located approximately 220 km SSE of Antofagasta, Chile, in Region III. The Amancaya project is comprised of the Amancaya property and the San Guillermo property.</p> <p>The Amancaya property consists of eight individual exploitation mining concessions covering a total area of 1,755 ha and is 100% owned by Minera Guanaco.</p> <p>The San Guillermo properties cover an area of 12,500 ha and are being worked under an Earn-In Option with Revelo Resources Limited. The properties are in good standing and there are no restricted or protected areas within or overlapping either of the properties.</p> <p>The surface rights are controlled by the federal government and access is normally granted as required.</p> <ul style="list-style-type: none"> <li>The current Amancaya water rights amount to 1.6 L/s of underground water, located in Agua Verde sector of Taltal County. The extraction well called "Zazzali" is located at 7,189,625.540 North and 400,453.353 East.</li> <li>A royalty of 2.25% of the net smelter return (NSR) on all production from the Amancaya mining concessions is payable to Meridian Gold Inc. (Meridian)/Yamana.</li> <li>All necessary statutory permits have been granted and the requirements have been met. Austral is in compliance with all environmental and work permits.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>Historically the following work has been recorded on the Amancaya Project:</p> <ul style="list-style-type: none"> <li>1950s: Small scale exploration and mining of copper and gold in the Rosario del Llano and Juanita veins.</li> <li>1992: Exploration by Recursos Mineros Andinos consisting of soil and rock geochemistry and 20 reverse circulation drill holes. The information from this work has been lost.</li> <li>2003: Placer Dome Inc. completed 20 reverse circulation drill holes totalling 2,661 m and collected 515 surface rock samples. Some anomalous results were located in the north part of the property (e.g. 2.84 g/t Au and 16.7 g/t Ag over 2 m),</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>however, structures in the south were not recognized. Trenching was also completed.</p> <ul style="list-style-type: none"> <li>• 2004 to 2008: Geophysical surveys, surface and trench sampling, geological mapping, radiometric dating, and fluid inclusion analysis were completed by Meridian/Yamana. Yamana also completed a total of 202 reverse circulation drill holes for 54,782 m and 16 trenches totalling 486.1 m. A total of 40 drill holes and four surface trenches are used in the subsequent resource estimate.</li> <li>• 2009: Resampling of trenches and some resampling of historic drill core was performed by Cenizas. Cenizas carried out a drill campaign totaling 5,054 m in 23 holes to confirm the thickness of the Veta Central, the distribution of gold and silver grades within the vein and host rocks, and the density of the mineralization.</li> <li>• 2014: Austral Gold purchases the property.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralization.</li> </ul>	<p>The Amancaya project represents a low sulphidation gold-silver epithermal deposit. The critical features that define the mineralization at Amancaya include lithological and structural control. The mineralization and alteration are focused along high-angle structures in a dacite-andesite volcanic dome. The structural system provided a pathway for rising hydrothermal fluids. The Central Vein exhibits banded textures, with bands of grey chalcedonic quartz, clear crystalline quartz, amethyst, and dark bands containing sphalerite, silver, and lead sulphosalts. Other textures include coliform texture, sinuous alternating bands of chalcedonic quartz and amethyst, and crustiform quartz. Interstices are filled with clays, limonite, manganese oxide, and carbonates (ankerite).</p>
Drill hole Information	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• All significant results are reported within the main text of the news release. Holes not reported in the news release did not have significant results.</li> <li>• All drill holes are reported in Annex 1</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ hole length.</li> <li>● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	Sum product Weighted averaging was used to report gold and silver grades over sample intervals that contained more than one sample. No upper or lower cut-off grades were used.
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> <li>● These relationships are particularly important in the reporting of Exploration Results.</li> <li>● If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.</li> <li>● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<p>The orientation of the veins is generally north and the dip of the mineralization is sub-vertical.</p> <p>The majority of drilling is oriented close to perpendicular to the known strike orientation of the mineralization. Downhole intersections are generally oblique to the dip of mineralization due to the sub-vertical attitude of the veins.</p> <ul style="list-style-type: none"> <li>● The intersection length is measured down the hole trace and may not be the true width.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>● These are included in the News Release, available on <a href="http://www.asx.com.au">www.asx.com.au</a> and company website, <a href="http://www.australgold.com">www.australgold.com</a></li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>● Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>● All assay results that are considered anomalous are reported, and in diagrams where low grades were encountered where the structures were intersected the assays results are reported as from the laboratory.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>● Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics;</li> </ul>	<ul style="list-style-type: none"> <li>● No metallurgical samples or bulk density sampling has currently been undertaken with the reported drilling results. In the event that the samples are used they will be reported at such time.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<p><i>potential deleterious or contaminating substances.</i></p> <ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>The reported results from this drilling campaign represent approximately 50% of the total planned drilling campaign. As soon as the remaining assays are received and verified they shall also be released.</i></li> </ul>

## ANNEX 1:

Hole Id	Easting	Northing	Elevation (m.a.s.l)	Azimuth	Dip	Total Length (m)
AM-050	418619.4	7172076.2	1915.1	272.5	-51.5	160.9
AM-051	418538.6	7171886.4	1915.3	271.5	-54.1	140
AM-052	418549.8	7171936.2	1919.7	266.9	-67.0	140
AM-053	418579.7	7171974.2	1917.5	267.4	-63.8	150
AM-054	418509.1	7171876.2	1914.7	267.5	-53.3	100.75
AM-055	418540.1	7171983.3	1927.8	270.5	-55.3	55.5
AM-056	418604.6	7172021.3	1916.1	268.3	-59.8	174.7
AM-057	418590.3	7172001.3	1917.9	270.7	-54.1	120
AM-058	418715.0	7171516.3	1914.8	270.4	-64.9	221
AM-059	418749.6	7171496.3	1915.8	270.7	-68.1	280.2
AM-060	418551.5	7171961.3	1922.1	270.2	-60.4	95.2
AM-061	418508.4	7171891.0	1917.2	267.3	-56.8	115
AM-062	418588.3	7172146.4	1920.0	NR	NR	65.35
AM-063	418642.3	7171631.1	1913.5	269.8	-65.4	210
AM-064	418686.6	7171551.2	1915.4	269.3	-70.9	245
AM-065	418714.8	7171491.2	1914.7	271.3	-60.8	150
AM-066	418761.3	7171451.4	1916.2	269.2	-60.2	178.25
AM-067	418790.9	7171401.4	1917.5	269.7	-60.4	180.2
AM-068	417869.8	7171366.1	1899.1	270.7	-59.2	165.75
AM-069	417846.7	7171365.9	1898.7	270.3	-59.8	135
AM-070	417816.6	7171366.0	1897.2	269.8	-59.9	95
AM-071	417839.9	7171340.9	1898.9	270.2	-63.6	135.5
AM-072	417863.1	7171341.1	1899.4	271.5	-64.2	170
AM-073	417869.8	7171315.9	1900.2	269.4	-59.3	160
AM-074	417847.8	7171315.9	1899.9	273.7	-60.5	130.15
AM-075	417820.8	7171316.1	1898.9	271.2	-60.7	95
AM-076	417804.0	7171291.0	1899.9	269.5	-69.1	90
AM-077	417875.4	7171285.8	1901.2	270.5	-64.1	160
AM-078	417858.2	7171245.8	1902.0	270.9	-65.5	150.1
AM-079	417828.9	7171215.9	1903.2	270.9	-59.6	100
AM-080	418554.2	7172071.3	1930.0	NR	NR	55.85
AM-081	417863.7	7171215.8	1903.6	272.1	-59.3	145
AM-082	418564.1	7171996.1	1923.3	268.6	-48.5	100.8
AM-083	418594.8	7172088.4	1919.5	269.0	-58.5	140
AM-084	417875.9	7171205.9	1904.7	270.6	-59.0	160.4
AM-085	417803.9	7171190.9	1904.2	271.8	-70.8	85
AM-086	417873.8	7171190.9	1905.4	269.8	-65.5	184.55
AM-087	417840.9	7171165.9	1905.0	269.5	-60.7	120.15
AM-088	418554.4	7172066.2	1930.0	269.0	-79.1	147.55
AM-089	417876.0	7171165.9	1906.5	271.2	-60.0	170.2
AM-090	417807.9	7171145.9	1906.4	271.8	-64.3	85
AM-091	417838.1	7171145.9	1906.0	271.3	-65.5	125.45
AM-092	417793.2	7171080.7	1912.0	269.6	-59.6	79.05
AM-093	417817.1	7171080.6	1911.4	270.8	-59.1	110.2